

ITEM NO: _____

PREPARED BY: Susan Callison

COMMISSIONER: _____

APPROVED BY: _____
County Attorney

Resolution to Amend Shelby County Retirement System Plan B to Change the Certain Definitions Affecting the Calculation of Benefits of City-to-County Transfer Employees and County-to-City Transfer Employees and to Correct a Scrivener's Error Relating to Calculation of Deferred Vested Pensions. Sponsored by Commissioner George Flinn.

WHEREAS, by resolutions previously adopted, the Shelby County Commissioners adopted and has since maintained Shelby County Retirement System consisting of Plan A, Plan B and Plan C; and

WHEREAS, Plan B provides that, in the case of a County-to-City Transfer Employee, his pension from the County will be based upon his highest 36 months average earnings from the City, and does not take into consideration the fact that such an employee may not complete 36 months of service for the City; and

WHEREAS, Plan B similarly provides that, in the event of a City-to-County Transfer Employee, his pension from the County will be based upon his highest 36 months average earnings from the County, and does not take into consideration the fact that such an employee may not complete 36 months of service for the County; and

WHEREAS, it is advisable to amend certain definitions to ensure that service for both the City and the County will be considered under such circumstances so that at least 36 months of earnings will be used to calculate the average, and

WHEREAS, to correct a scrivener's error, it is advisable to amend the deferred vested pension calculation to be consistent with the pension calculation for Service Retirement Pensions; and

WHEREAS, a copy of the System's actuary's actuarial impact letter with respect to the proposed amendment is attached hereto,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, that Plan B be, and is hereby, amended as follows:

1. The definition of "Averaging Period is hereby amended to read as follows in its entirety:

"Averaging Period" shall mean a Participant's period of total Credited Service, not in excess of 36 consecutive calendar months, over which his Final Average Earnings is as high as possible. Notwithstanding the foregoing, in the case of either a County-to-City Transfer Employee or a City-to-County Transfer Employee, his Averaging Period shall include not only calendar months completed for his last employer but, if necessary to add up to 36 consecutive calendar months, shall include calendar months completed for his prior employer, whether or not his Final Average Earnings during such 36 consecutive calendar months is his overall highest.

2. The definition of "Earnings" is hereby amended to read as follows from the beginning until the ellipsis:

"Earnings" paid to the Participant by the Employer (or, in the case of a City-to-County Transfer Employee or a County-to-City Transfer Employee to which the definition of "Earnings" is relevant, by the City) for the relevant period means

3. The definition of "Final Average Earnings" is hereby amended to read as follows in its entirety:

"Final Average Earnings" means, for a Participant who has at least 36 months of Credited Service (including, in the case of a City-to-County Transfer Employee or a County-to-City Transfer Employee, service for the City that would have been Credited Service for the County if it had been performed for the County) in his Averaging Period, a monthly amount equal to the total Earnings in his Averaging Period divided by 36. For a Participant who has fewer than 36 months of Credited Service in his Averaging Period, Final Average Earnings means the Employee's total Earnings in his Averaging Period divided by the number of Months of Credited Service in his Averaging Period.

4. Section 4.3 is amended to read as follows in its entirety:

4.3 Deferred Vested Pension. Each Participant who has completed at least 10 years of Credited Service at the time of his Termination and who is not eligible for a Service Retirement Pension shall be eligible for a Deferred Vested Pension. The amount of the Deferred Vested Pension shall be 2.7% of his Final Average Earnings multiplied the lesser of (a) his years of Credited Service or (b) 25 years, plus 1% of his Final Average Earnings multiplied by his years of Credited Service in excess of 25 but no more than 35. Such Pension shall begin upon the Participant's attainment of age 60. It shall be payable in arrears on the last day of

the month in which he attains age 60 and each month thereafter during his lifetime.

5. The amendments adopted in paragraphs 1 through 3 shall be effective for all Participants who have not Terminated, as defined in Plan B, as of the date of adoption. The amendment adopted in paragraph 4 shall be effective as of January 1, 2007, the date of the restatement of Plan B.

Joe Ford, Interim County Mayor

Date: _____

Clerk of the County Commission

ADOPTED: _____